

**ASSEMBLY BILL**

**No. 690**

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**Introduced by Assembly Member Solorio**

February 17, 2011

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An act to amend Sections 1758.6, 1758.61, 1758.62, 1758.63, 1758.64, 1758.65, 1758.66, 1758.661, 1758.67, 1758.68, 1758.69, 1758.691, and 1758.692 of, and to repeal Section 1758.693 of, the Insurance Code, relating to portable electronics insurance.

LEGISLATIVE COUNSEL'S DIGEST

AB 690, as introduced, Solorio. Portable electronics insurance.

(1) Existing law provides for the Insurance Commissioner to issue a communications equipment insurance agent license to a communications equipment vendor, as defined, authorizing the vendor to sell or offer to its customers insurance covering communications equipment and the sale or provision of services for communications equipment. Existing law authorizes employees and franchisees of the vendor to be listed as endorsees on the license for the purpose of selling or offering communications equipment insurance under the authority of the agent's license. Existing law imposes certain requirements on the licensees and endorsees with respect to training and other related matters. Existing law makes it a crime to sell or offer for sale communications equipment insurance without a production agency license.

This bill would revise and recast the above provisions by deleting communications equipment and replacing it with portable electronics, as defined. The bill would authorize employees and authorized representatives of the portable electronics vendor to sell or offer portable electronics insurance pursuant to the authority of the vendor's portable

electronics insurance agent license, as provided. The bill would also make changes to vendor reporting, employee and authorized representative compensation, and recordkeeping requirements, and would expand the portable electronics insurance license to include the sale or provision of accessories related to the use of portable electronics.

Because this bill would expand the scope of a crime by expanding the scope of the products for which portable electronics insurance license is required, the bill would impose a state-mandated local program.

(2) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes.

State-mandated local program: yes.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 1758.6 of the Insurance Code is amended  
2 to read:

3 1758.6. ~~No communications equipment~~ *A portable electronics*  
4 *vendor shall not offer or sell any form of* ~~communications~~  
5 ~~equipment~~ *portable electronics* insurance in this state unless that  
6 person is licensed as an insurance agent or broker pursuant to  
7 Article 3 (commencing with Section 1631) or has complied with  
8 the requirements of this article and has been issued a license by  
9 the commissioner as provided in this article.

10 SEC. 2. Section 1758.61 of the Insurance Code is amended to  
11 read:

12 1758.61. The commissioner may issue to an applicant that has  
13 complied with the requirements of this article a ~~communications~~  
14 ~~equipment~~ *portable electronics* insurance agent license that  
15 authorizes the licensee *and its employees and authorized*  
16 *representatives* to offer or sell insurance in connection with, and  
17 incidental to, the sale of ~~communications equipment~~ *portable*  
18 *electronics* or the sale or provision of ~~service for communications~~  
19 ~~equipment by a retail vendor~~ *accessories or services related to the*  
20 *use of portable electronics.*

21 SEC. 3. Section 1758.62 of the Insurance Code is amended to  
22 read:

1 1758.62. (a) An applicant for a ~~communications equipment~~  
2 *portable electronics* insurance agent license under this article shall  
3 submit all of the following to the commissioner:

4 (1) A written application for licensure, signed by the applicant  
5 or an officer of the applicant, in the form prescribed by the  
6 commissioner.

7 (2) A certificate by the insurer that is to be named in the  
8 ~~communications equipment~~ *portable electronics* insurance agent  
9 license, stating that the insurer has satisfied itself that the named  
10 applicant is trustworthy and competent to act as its insurance agent  
11 limited to this purpose and that the insurer will appoint the  
12 applicant to act as its agent to transact the kind or kinds of  
13 insurance that are permitted by this article, if the ~~communications~~  
14 ~~equipment~~ *portable electronics* insurance agent license applied  
15 for is issued by the commissioner. The certification shall be  
16 subscribed by an officer or managing agent of the insurer on a  
17 form prescribed by the commissioner.

18 (3) An application fee, and for each license period thereafter, a  
19 renewal fee, in an amount or amounts determined by the  
20 department as sufficient to defray the department's actual cost of  
21 processing the application or renewal and implementing this article.  
22 The limitation on fee increases of 10 percent without prior approval  
23 of the Legislature set forth in Section 12978 shall not apply to the  
24 application or renewal fee set forth in this subdivision during the  
25 years 2003, 2004, and 2005.

26 (b) Notwithstanding any other provision of law to the contrary,  
27 the provisions set forth in Sections 1667, 1668, 1668.5, 1669, 1670,  
28 1738, and 1739 apply to any application for or issuance of a license  
29 pursuant to this article.

30 (c) Costs associated with any enforcement action or investigation  
31 shall be paid for by the person or organization licensed pursuant  
32 to this article.

33 SEC. 4. Section 1758.63 of the Insurance Code is amended to  
34 read:

35 1758.63. (a) An employee of a ~~communications equipment~~  
36 ~~vendor or franchisee of a communications equipment vendor that~~  
37 ~~has been issued a communications equipment agent license~~  
38 ~~pursuant to this article may be an endorsee authorized to offer~~  
39 ~~insurance products under the authority of the communications~~  
40 ~~equipment or authorized representative of a portable electronics~~

1 *vendor that has been issued a portable electronics insurance agent*  
2 *license pursuant to this article may sell or offer insurance products*  
3 *under the authority of the vendor's portable electronics insurance*  
4 *agent license if all of the following conditions have been met:*

5 (1) *The employee or authorized representative is 18 years of*  
6 *age or older.*

7 (2) ~~The communications equipment portable electronics vendor,~~  
8 ~~at the time it submits its communications equipment portable~~  
9 ~~electronics insurance agent's license application pursuant to~~  
10 ~~Section 1758.62, also establishes a list of the names of all endorsees~~  
11 ~~to its communications equipment agent license all locations in this~~  
12 ~~state at which it offers coverage under a policy of portable~~  
13 ~~electronics insurance. The list shall be maintained by the~~  
14 ~~communications equipment portable electronics vendor in a form~~  
15 ~~prescribed by, or format acceptable to, the commissioner, and shall~~  
16 ~~be updated annually. The list shall be retained by the~~  
17 ~~communications equipment vendor for three years maintained by~~  
18 ~~the portable electronics vendor and made available to the~~  
19 ~~commissioner for review and inspection upon request.~~

20 (3) ~~The communications equipment portable electronics vendor~~  
21 ~~submits to the commissioner with its initial communications~~  
22 ~~equipment portable electronics insurance agent license application~~  
23 ~~and annually thereafter a certification, subscribed by an officer of~~  
24 ~~the company on a form prescribed by the commissioner, stating~~  
25 ~~all of the following:~~

26 (A) ~~The number of endorsees offering locations at which the~~  
27 ~~portable electronics vendor offers insurance products under the~~  
28 ~~authority of the communications equipment portable electronics~~  
29 ~~insurance agent license in this state for the applicable period.~~

30 (B) ~~A statement that no person other than an endorsee employee~~  
31 ~~or authorized representative of the portable electronics vendor~~  
32 ~~sells or offers insurance on its behalf.~~

33 (C) ~~That all endorsees employees or authorized representatives~~  
34 ~~offering insurance have completed training as required by this~~  
35 ~~article.~~

36 (b) ~~Each communications equipment portable electronics vendor~~  
37 ~~licensed pursuant to this article shall provide for the training of its~~  
38 ~~endorsees employees and authorized representatives under a~~  
39 ~~program developed by a licensed fire and casualty broker or agent~~  
40 ~~prior to allowing its endorsees employees and authorized~~

1 *representatives* to offer or sell insurance products. The training  
2 shall meet the following minimum standards:

3 (1) Each ~~communications equipment agent~~ *endorsee employee*  
4 *and authorized representative* shall receive instruction about the  
5 types of insurance specified in subdivision (d) of Section 1758.69  
6 that are offered for sale to prospective customers.

7 (2) Each ~~communications equipment agent~~ *endorsee employee*  
8 *and authorized representative* shall receive training about ethical  
9 sales practices.

10 (3) Each ~~communications equipment agent~~ *endorsee employee*  
11 *and authorized representative* shall receive training about the  
12 disclosures to be given to prospective customers pursuant to  
13 Section 1758.66.

14 (c) The training materials used by or on behalf of the  
15 ~~communications equipment~~ *portable electronics* vendor to train  
16 its ~~endorsees~~ shall be submitted to the department by the licensed  
17 ~~fire and casualty property or casualty~~ agent or broker that develops  
18 the materials at the time the licensee applies for its ~~communications~~  
19 ~~equipment~~ *portable electronics* insurance agent license. Any  
20 changes to previously submitted training materials shall be  
21 submitted to the department with the changes highlighted at least  
22 30 days prior to their use by the licensee. Training materials and  
23 changes to those materials submitted to the department pursuant  
24 to this subdivision shall be deemed approved for use by the  
25 company unless it is notified by the department to the contrary.  
26 Failure by the ~~communications equipment~~ *portable electronics*  
27 *insurance agent* licensee to submit training materials or changes  
28 for department review or use of unapproved or disapproved training  
29 materials shall constitute grounds for denial of an application for  
30 a license, nonrenewal of a license, or suspension of a license, as  
31 appropriate.

32 (d) The retraining of ~~endorsees~~ *employees and authorized*  
33 *representatives* shall be conducted whenever there is a material  
34 change in the insurance products sold that requires modification  
35 of the training materials, but in no event less frequently than every  
36 two years for each ~~endorsee~~ *employee and authorized*  
37 *representative*.

38 SEC. 5. Section 1758.64 of the Insurance Code is amended to  
39 read:

1 1758.64. (a) The manager at each location of a ~~communications~~  
2 ~~equipment portable electronics~~ vendor or a franchisee of a  
3 ~~communications equipment portable electronics~~ vendor licensed  
4 pursuant to this article, or the direct supervisor of the vendor's  
5 ~~endorsees employees or authorized representatives~~ at each location  
6 or region shall be ~~an endorsee and shall be~~ responsible for the  
7 supervision of each ~~additional endorsee employee or authorized~~  
8 ~~representative~~ at that location or in that region. Each licensee shall  
9 ~~identify the endorsee who is~~ maintain a list of who the manager  
10 or supervisor ~~is~~ at each location or region for the purposes of this  
11 article. ~~The list shall be maintained by the portable electronics~~  
12 ~~vendor and shall be made available to the commissioner for review~~  
13 ~~and inspection upon request.~~

14 (b) An ~~endorsee employee or authorized representative~~ may act  
15 on behalf of and under the supervision of the ~~communications~~  
16 ~~equipment portable electronics insurance~~ agent in matters relating  
17 to transacting insurance under that agent's license. The conduct  
18 of an ~~endorsee of a communications equipment employee or~~  
19 ~~authorized representative of a portable electronics insurance~~ agent  
20 acting within the scope of employment or agency shall be deemed  
21 the conduct of the ~~communications equipment portable electronics~~  
22 ~~insurance~~ agent for purposes of this article.

23 SEC. 6. Section 1758.65 of the Insurance Code is amended to  
24 read:

25 1758.65. (a) If a licensee or ~~endorsee its employee or~~  
26 ~~authorized representative~~ violates any provision of this article or  
27 any other provision of this code, the commissioner may do any of  
28 the following:

29 (1) After notice and hearing, suspend or revoke the license of  
30 the ~~communications equipment portable electronics~~ insurance  
31 agent.

32 (2) After notice and hearing, impose fines on the  
33 ~~communications equipment portable electronics~~ insurance agent  
34 for its conduct or that of its ~~endorsees employees or authorized~~  
35 ~~representatives~~.

36 (3) After notice and hearing, impose other penalties that the  
37 commissioner deems necessary and convenient to carry out the  
38 purpose of this code, including suspending the privilege of  
39 transacting ~~communications equipment portable electronics~~  
40 insurance pursuant to this article at specific business locations

1 where violations have occurred, imposing fines on the  
2 ~~communications equipment portable electronics~~ insurance agent,  
3 and suspending or revoking the ~~endorsement of individual~~  
4 ~~endorsees or manager endorsees~~ *ability of individual employees*  
5 *or authorized representatives to act under the vendor's license.*

6 (b) If any person sells insurance in connection with, or incidental  
7 to, the sale of ~~communications equipment portable electronics~~ or  
8 the sale or provision of ~~service for communications equipment~~  
9 *accessories or services related thereto*, or holds himself or herself  
10 or an organization out as a ~~communications equipment portable~~  
11 *electronics* insurance agent without obtaining the license required  
12 by this article, ~~or as being an endorsee when that person is not an~~  
13 ~~endorsee~~, or as being licensed pursuant to ~~Chapter 5 Article 3~~  
14 (commencing with Section 1631) without obtaining that license,  
15 the commissioner may issue a cease and desist order pursuant to  
16 Section 12921.8.

17 (c) Notwithstanding any other provision of law to the contrary,  
18 the provisions of Section 1748.5 are applicable to both the  
19 organization issued a license pursuant to this article and any  
20 ~~endorsee employee or authorized representative selling or offering~~  
21 *to sell portable electronics insurance pursuant to that license.*

22 SEC. 7. Section 1758.66 of the Insurance Code is amended to  
23 read:

24 1758.66. A ~~communications equipment portable electronics~~  
25 insurance agent shall not sell insurance pursuant to this article by  
26 unsolicited telephone calls or otherwise unless, at the time of sale,  
27 or reasonably thereafter with respect to a sale or enrollment  
28 occurring by telephone, all of the following conditions are satisfied:

29 (a) The ~~communications equipment portable electronics~~  
30 insurance agent provides brochures or other written materials to  
31 the prospective purchaser that do all of the following:

32 (1) Summarize the material terms and conditions of coverage  
33 offered, including the identity of the insurer.

34 (2) Describe the process for filing a claim, including a toll-free  
35 telephone number to report a claim.

36 (3) Disclose any additional information on the price, benefits,  
37 exclusions, conditions, or other limitations of those policies that  
38 the commissioner may, by rule, prescribe.

39 (4) Provide the name, address, telephone number, and license  
40 number of the licensee or the ~~fire and casualty~~ *property or casualty*

1 broker-agent appointed by the insurer issuing ~~communications~~  
2 ~~equipment~~ *portable electronics* insurance coverage to the licensee,  
3 as well as the department's toll-free consumer hotline.

4 (b) The ~~communications equipment~~ *portable electronics*  
5 insurance agent or its ~~endorsees~~ *employee or authorized*  
6 *representative* makes all of the following disclosures, which shall  
7 be acknowledged in writing by the purchaser, or displayed by clear  
8 and conspicuous signs that are posted at every location where  
9 contracts are executed, such as the counter where the purchaser  
10 signs the service agreement, or provided in writing to the purchaser:

11 (1) That the purchase by the customer of the kinds of insurance  
12 prescribed in this article is not required in order to purchase  
13 ~~communications equipment or service~~ *portable electronics,*  
14 *accessories, or related services.*

15 (2) That the insurance policies offered by the ~~communications~~  
16 ~~equipment~~ *portable electronics* insurance agent may provide a  
17 duplication of coverage already provided by other insurance  
18 policies covering the purchaser.

19 (3) That the ~~endorsee~~ *employee or authorized representative* of  
20 the ~~communications equipment~~ *portable electronics insurance*  
21 agent is not qualified or authorized to evaluate the adequacy of  
22 the purchaser's existing insurance coverages, unless that person  
23 is licensed pursuant to Article 3 (commencing with Section 1631).

24 (4) That the customer may cancel the insurance at any time. If  
25 the customer cancels any unearned premium will be refunded in  
26 accordance with applicable law.

27 (c) The material terms and conditions of coverage are provided  
28 to every person who elects to purchase that coverage.

29 (d) Costs for the insurance are separately itemized in any billing  
30 statement for the insurance. *However, if the charge for coverage*  
31 *is included in the cost associated with the purchase or lease of*  
32 *portable electronics or related services, the vendor shall clearly*  
33 *and conspicuously disclose to the customer that the charge for the*  
34 *portable electronics or related services includes the charge for*  
35 *coverage.*

36 (e) The insurance is provided under an individual policy issued  
37 to the purchaser, or under a group or master policy issued to an  
38 organization licensed as a ~~communications equipment~~ *portable*  
39 *electronics* insurance agent by an insurer authorized to transact  
40 the applicable kinds or types of insurance in this state.



SEC. 8. Section 1758.661 of the Insurance Code is amended to read:

1758.661. *Charges for portable electronics insurance may be billed and collected by a portable electronics insurance agent licensee. A licensee shall not be required to treat moneys collected from consumers purchasing insurance pursuant to this article as funds received in a fiduciary capacity if the insurer represented by the licensee has provided in writing that the funds need not be segregated from funds received by the communications equipment vendor on account of the sale of communications equipment and the charges for insurance coverage are itemized and incorporated as part of the customer's bill. portable electronics vendor on account of the sale or lease of portable electronics or related services or accessories. Licensees may receive compensation for billing and collection services.*

SEC. 9. Section 1758.67 of the Insurance Code is amended to read:

1758.67. Under the authority of the ~~communications equipment~~ portable electronics insurance agent license, a ~~communications equipment~~ portable electronics insurance agent shall not do any of the following:

(a) Offer to sell insurance except in conjunction with, and incidental to, the sale of ~~communications equipment~~ portable electronics, their accessories, or the sale or provision of a related service for ~~communications equipment~~.

(b) Advertise, represent, or otherwise portray itself or its employees or ~~endorsees~~ authorized representatives as licensed insurers or fire and casualty broker-agents.

(c) Pay any ~~endorsee employee or authorized representative~~ any compensation, fee, or commission ~~dependent on the placement of insurance based primarily on the number of customers electing coverage under the portable electronics insurance agent's license. Nothing in this code shall prohibit the payment of a performance-related incentive. For purposes of this subdivision, a "performance-related incentive" is money or other tangible or intangible items of value paid or given to any endorsee of the licensee which is not based solely on the offering or selling of the insurance products listed in subdivision (d) of Section 1758.69. However, nothing in this code shall prohibit the payment of compensation to employees and authorized representatives of a~~

1 *portable electronics insurance agent for activities under the agent's*  
2 *license that is incidental to their overall compensation.*

3 SEC. 10. Section 1758.68 of the Insurance Code is amended  
4 to read:

5 1758.68. Any insurer that provides insurance to be sold by an  
6 organization licensed as a ~~communications equipment~~ *portable*  
7 *electronics* insurance agent shall file a copy of any individual  
8 policy issued to a purchaser, or any policy or certificate issued  
9 under a group or master policy to an organization licensed as a  
10 ~~communications equipment~~ *portable electronics* insurance agent,  
11 with the commissioner, who shall make that policy available to  
12 the public.

13 SEC. 11. Section 1758.69 of the Insurance Code is amended  
14 to read:

15 1758.69. As used in this article, the following definitions have  
16 the following meanings:

17 (a) "Enrollment" means the process of soliciting or accepting  
18 enrollments or applications from a consumer under a  
19 ~~communications equipment~~ *portable electronics* insurance policy,  
20 which includes informing the consumer of the availability of  
21 coverage, preparing and delivery of the certificate of insurance or  
22 notice of proposed insurance, or otherwise assisting the consumer  
23 in making an informed decision whether or not to elect to purchase  
24 ~~communications equipment~~ *portable electronics* insurance.

25 (b) ~~"Communications equipment" means handsets, pagers,~~  
26 ~~personal digital assistants, portable computers, cellular telephones,~~  
27 ~~batteries, and other devices or their accessories used to originate~~  
28 ~~or receive communications signals or service; however, the term~~  
29 ~~does not include telecommunications switching equipment,~~  
30 ~~transmission wires, cell site transceiver equipment, or other~~  
31 ~~equipment and systems used by telecommunications companies~~  
32 ~~to provide telecommunications service to consumers.~~

33 (c) ~~"Communications equipment insurance agent license" means~~  
34 ~~an agent license issued to an individual or organization for the~~  
35 ~~enrollment and sale of communications equipment insurance.~~

36 (d) ~~"Communications equipment insurance" means insurance~~  
37 ~~issued to cover the loss, theft, mechanical failure, or malfunction~~  
38 ~~of or damage to communications equipment.~~

39 (e) ~~"Communications equipment vendor" means any person in~~  
40 ~~the business of selling, reselling, soliciting, or leasing~~

1 ~~communications equipment or communications equipment service~~  
2 ~~to customers.~~

3 ~~(f) “Endorsee” means an unlicensed employee of a~~  
4 ~~communications equipment insurance agent who meets the~~  
5 ~~requirements of this article.~~

6 ~~(g)~~

7 (b) (1) “License period” means all of that two-year period  
8 beginning as described in subparagraph (A) or (B) of paragraph  
9 (2), as applicable, and ending the second succeeding year on the  
10 last calendar day of the month in which the initial license was  
11 issued.

12 (2) A license period shall be determined for each person as  
13 follows:

14 (A) Upon initial licensing, the license period shall start on the  
15 date the license is issued.

16 (B) Subsequently, the license period shall start on the first day  
17 following the month in which the initial license was issued.

18 (3) A license shall be renewed on or before the expiration date  
19 of the license period.

20 (c) *“Portable electronics” means electronic devices that are*  
21 *portable in nature, and their accessories and services related to*  
22 *the use of the device.*

23 (d) (1) *“Portable electronics insurance” means insurance*  
24 *providing coverage for the repair or replacement of portable*  
25 *electronics that may cover portable electronics against any one*  
26 *or more of the following causes of loss: loss, theft, mechanical*  
27 *failure, malfunction, damage, or other applicable perils.*

28 (2) *“Portable electronics insurance” does not include any of*  
29 *the following:*

30 (A) *A service contract governed by Article 4.5 (commencing*  
31 *with Section 9855) of Chapter 20 of Division 3 of the Business and*  
32 *Professions Code.*

33 (B) *A policy of insurance covering a seller’s or manufacturer’s*  
34 *obligations under a warranty.*

35 (C) *A homeowner’s, renter’s, private passenger automobile,*  
36 *commercial multiperil, or similar insurance policy.*

37 (e) *“Portable electronics insurance agent license” means an*  
38 *agent license issued to an individual or organization for the*  
39 *enrollment and sale of portable electronics insurance.*

1 (f) “*Portable electronics vendor*” means any person in the  
2 business, directly or indirectly, of selling, reselling, soliciting, or  
3 leasing portable electronics to customers.

4 SEC. 12. Section 1758.691 of the Insurance Code is amended  
5 to read:

6 1758.691. Nothing in this article regulating the sale of  
7 ~~communications equipment~~ *portable electronics* insurance shall  
8 be construed to impair or impede the application of any other law  
9 regulating the sale of ~~communications equipment~~ *portable*  
10 *electronics* insurance.

11 SEC. 13. Section 1758.692 of the Insurance Code is amended  
12 to read:

13 1758.692. (a) Not less than 60 days before a permanent license  
14 will expire, the commissioner may use an electronic delivery  
15 method, including e-mail or other similar electronic method of  
16 delivery, to deliver, or may mail, to the latest e-mail or mailing  
17 address appearing on his or her records, an application to the  
18 licensee to renew the license of a ~~communications equipment~~  
19 *portable electronics* insurance agent ~~and any endorsees~~ for the  
20 appropriate succeeding license term. It is the licensee’s  
21 responsibility to renew, whether or not a renewal notice is received.

22 (b) The commissioner may accept a late renewal without penalty,  
23 provided that the licensee’s failure to comply is due to a clerical  
24 error or inadvertence.

25 (c) An application for renewal of a license may be filed on or  
26 before the expiration date. An application for renewal of an expired  
27 license may be filed after the expiration date and until that same  
28 month and date of the next succeeding year.

29 (d) The commissioner shall impose a penalty fee equal to  
30 one-half of the renewal fee for the ~~communications equipment~~  
31 *portable electronics* insurance agent license and any endorsees for  
32 any renewal that is filed after the expiration date of the license.

33 SEC. 14. Section 1758.693 of the Insurance Code is repealed.

34 ~~1758.693. (a) This article shall become operative only upon~~  
35 ~~a determination by the commissioner that the personnel positions~~  
36 ~~needed to carry out the provisions of this article are in existence~~  
37 ~~or have been authorized in the Budget Act of 2002 or a subsequent~~  
38 ~~budget act.~~

39 ~~(b) On and after January 1, 2003, the commissioner may accept~~  
40 ~~applications from communications equipment vendors seeking~~

1 licensure pursuant to this article. However, the commissioner shall  
2 not act upon the applications. If, prior to April 30, 2003, the  
3 commissioner receives 50 applications or less, the commissioner  
4 shall be deemed to have sufficient personnel to carry out the  
5 provisions of this article and this article shall immediately become  
6 operative.

7 SEC. 15. No reimbursement is required by this act pursuant to  
8 Section 6 of Article XIII B of the California Constitution because  
9 the only costs that may be incurred by a local agency or school  
10 district will be incurred because this act creates a new crime or  
11 infraction, eliminates a crime or infraction, or changes the penalty  
12 for a crime or infraction, within the meaning of Section 17556 of  
13 the Government Code, or changes the definition of a crime within  
14 the meaning of Section 6 of Article XIII B of the California  
15 Constitution.